

United States Senate

WASHINGTON, DC 20510

August 9, 2023

The Honorable Janet L. Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Yellen,

We write concerning the proposed acquisition of *Forbes* by entities with commercial and investment ties to the Chinese Communist Party (CCP) and the Russian government. As Treasury Secretary and Chair of the Committee on Foreign Investment in the United States (CFIUS), we urge you to conduct a review and take appropriate action to protect America's national security.

The implications of allowing entities close to the Russian government and the CCP to own and operate an influential American media outlet are grave. *Forbes* reportedly holds a significant market share among younger Americans, with tens of millions of monthly users. This puts *Forbes* in a unique position to collect and store sensitive personal data on these populations and influence their opinions. Further, foreign powers could use *Forbes'* wide reach to influence voters during close elections. This is especially significant as *Forbes* has published stories in recent years documenting the CCP's influence over TikTok and participating in the ongoing genocide of the Uyghurs and other non-Han Chinese ethnic groups in Xinjiang. This reporting would undoubtedly be censored if *Forbes* is acquired by entities closely affiliated with the CCP.

Foreign adversaries have previously attempted to acquire *Forbes*. Just last year, the CCP attempted to buy *Forbes* through Magnum Opus Acquisition Limited, a special-purpose acquisition company (SPAC). Fortunately, that effort was scuttled after the CCP's involvement came to light.

Our adversaries have tried to further obfuscate their efforts this time to evade scrutiny. Sun Group, an investment firm with reportedly close ties to both the Russian government and the CCP, has partnered with a Magomed Musaev, a former Kremlin propagandist, to acquire *Forbes*. Sun Group is reportedly attempting to present the buyout of *Forbes* as an American venture by employing U.S. surrogates. One such surrogate, Austin Russell, is a 28-year-old entrepreneur with no media background. Russell is masquerading as the lead buyer of *Forbes*, claiming to purchase 82% of the company with a mere \$10 million. However, it is evident that Russell is merely a conduit for larger foreign investors, with Sun Group alone reportedly investing up to \$300 million, nearly 40% of the capital for *Forbes*. Adding to these suspicions, Suleyman Kerimov, a U.S.-sanctioned Russian oligarch with ties to Vladimir Putin, reportedly gave Russell \$20M to launch his start-up, Luminar. Further, \$100 million of the *Forbes* buyout capital will reportedly flow through two American daughters of businessman Shiv Khemka, the owner and Vice Chairman of Sun Group.

The CCP's participation in this venture is also concerning. The People's Republic of China's (PRC) State Council, through its ownership of China National Gold Group, has a 70% stake in a Russian gold mine that is co-owned by Sun Group and is one of Sun Group's largest assets. Further, China's state-owned SAIC Motor, which is supervised by the PRC State Council, reportedly has a lucrative contract with Russell's Luminar that tripled Luminar's stock in 4 months. Most of Russell's own net worth is tied up in Luminar stock, giving the PRC State Council, through SAIC Motor, significant leverage over Russell. If this acquisition moves forward, the CCP's influence over Luminar, Russell, and Sun Group would translate into influence over *Forbes*.

Foreign investors would control nearly 50% of the total capital involved in the *Forbes* acquisition and the "lead" American buyer appears compromised by foreign influence. Looking at the voting stock of this proposed buyout, the amount that would be held by Russell, Sun Group and Chinese nationals (all of whom are influenced by the PRC State Council) reportedly totals over 90% of the voting stock.

It is evident that the dangers of the proposed *Forbes* acquisition greatly exceed the acceptable level of risk established by Congress under the *Foreign Investment Risk Review Modernization Act* (FIRRMA) and by President Biden under Executive Order 14083. EO 14083 instructs CFIUS to scrutinize transactions involving buyers of U.S. assets who have commercial or investment ties to foreign governments, which is clearly the case here. As such, we urge you to conduct a review of the proposed *Forbes* acquisition, without delay.

Thank you for your prompt attention to this important matter.

Sincerely,



Tom Cotton
United States Senator



Marco Rubio
United States Senator